

ONE HUNDRED SECOND LEGISLATURE - SECOND SESSION - 2012
COMMITTEE STATEMENT
LB877

Hearing Date: Wednesday January 18, 2012
Committee On: Natural Resources
Introducer: Wallman
One Liner: Require disclosure of hydraulic fracturing treatment information

Roll Call Vote - Final Committee Action:
Indefinitely postponed

Vote Results:

Aye:	6	Senators Carlson, Dubas, McCoy, Langemeier, Schilz, Smith
Nay:	2	Senators Christensen, Haar
Absent:		
Present Not Voting:		

Proponents:

Senator Norm Wallman

Representing:

Introducer

Opponents:

Bill Sydow
Stan Belieu
Phillip Kriz
Darwin Pierson
Mark Carr
Brian Blome
Dan Blankenau
Julie Wamsley
Bruce Evertson

Representing:

Nebraska Oil and Gas Conservation Commission
Nebraska Oil and Gas Conservation Commission
Evertson Operating
NIOGA
Self
Self
Great Plains Energy, Inc.
Self
Evertson Oil Company

Neutral:

Jill Becker

Representing:

Black Hills Energy

Summary of purpose and/or changes:

LB 877 would have required disclosure of the materials used in the process of hydraulic fracturing that involves injecting water, sand and chemicals into underground shale formations using high pressure to extract oil and natural gas.

Section-by-section description:

Section 1 creates new language requiring a hydraulic fracturing operator to provide the composition of fluids used to, and on a form created by, the Nebraska Oil and Gas Conservation Commission for posting on its website. Information shall include the total volume of water used and each chemical ingredient and a list of chemical ingredients not listed on the form that were intentionally used for the hydraulic fracturing treatment, but the operator is not to be held responsible for reporting ingredients not purposely added or were not disclosed to the owner or operator by its service company or supplier. Excludes identification of ingredients based on the additive in which they are found and concentrations.

Section 2 creates new language requiring a service company or supplier to provide the hydraulic fracturing well owner or

operator with the information necessary to comply with the act.

Section 3 creates new language authorizing the commission to create a process for declaring certain information as private under the Trade Secrets Act. This may include the "identity and amount of the chemical ingredient used . . ."

Section 4 creates new language allowing challenges to the claim of trade secret protection for: the landowner and adjacent landowner of the property on which the well is located, or a state agency with jurisdiction over the matter being protected.

A challenge to a claim of entitlement to trade secret protection is to be filed no later than two years after the well completion report is filed with the commission. In the event of such a challenge, the commission is to provide notice to the service company, ingredient supplier or any other owner of the trade secret and allow each to substantiate the trade secret claim. The process for providing information is to be consistent with federal law relating to trade secrets.

Section 5 creates new language authorizing the commission to adopt and promulgate rules and regulations.

Section 6 states that the act applies to hydraulic fracturing treatment performed on wells for which an initial permit was issued after this bill's operative date.

Section 7 amends 57-905, which provides the powers and duties of the commission, by authorizing it to carry out the provisions of this act.

Section 8 allows for an operative date, which is not specified.

Section 9 repeals the original section.

Chris Langemeier, Chairperson